

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Southern California Edison Company (E 338-E) for Authority to Institute a Rate Stabilization Plan with a Rate Increase and End of Rate Freeze Tariffs.	Application 00-11-038 (Filed November 16, 2000)
Emergency Application of Pacific Gas and Electric Company to Adopt a Rate Stabilization Plan. (U 39 E)	Application 00-11-056 (Filed November 22, 2000)
Petition of THE UTILITY REFORM NETWORK for Modification of Resolution E-3527.	Application 00-10-028 (Filed October 17, 2000)

**ASSIGNED COMMISSIONER'S RULING DENYING  
MOTION OF PACIFIC GAS AND ELECTRIC COMPANY  
TO REVISE PROCEDURAL SCHEDULE**

On October 15, 2001, Pacific Gas and Electric Company (PG&E) filed a Motion to Revise Procedural Schedule. By this ruling, PG&E's motion for a schedule extension is denied.

**Background**

On October 5, 2001, an Assigned Commissioner's Ruling (ACR) was issued, granting, in part, PG&E's motion for an extension in the schedule for hearings on allocation of the revenue requirement of the California Department of Water Resources (DWR). Subsequent to the issuance of the October 5 ACR, DWR informed the Commission and the parties that it will not be able to respond to data requests until October 19, 2001. In addition, DWR also informed

parties that it may be unable or unwilling to respond at all to some of the parties' data requests by that date.

In view of DWR's inability to provide responses to parties' data requests prior to October 19, and its potential unwillingness to respond at all to some data requests, PG&E argues that the current schedule for testimony and hearings should be extended. PG&E argues that the current schedule provides insufficient time for parties to evaluate DWR's data responses, follow-up with DWR to the extent DWR's responses are inadequate or incomplete, resolve any discovery disputes, and prepare and file testimony by the current due date of October 25, which is 14 days after the modeling workshop and six days before the due date for testimony. In addition, PG&E concurs with San Diego Gas & Electric Company (SDG&E) comments that the procedural schedule, even before the October 5 ACR, did not permit adequate time to review and conduct discovery on alternative cost allocation proposals which may be contained in parties' testimony. (See SDG&E Reply to PG&E Motion, October 4, 2001, p. 2.) PG&E likewise argues that the current procedural schedule does not permit parties an opportunity to submit rebuttal testimony on any such alternative cost allocation proposals.

Based on these circumstances, PG&E seeks an extension in the current schedule to provide additional time for parties to evaluate DWR's discovery responses and prepare testimony prior to hearings, including rebuttal testimony on alternative cost allocation proposals made by other parties. Therefore, PG&E recommends that the current procedural schedule be revised to have testimony due on November 5, 2001. PG&E also proposes to insert a round of rebuttal testimony due on November 12, with evidentiary hearings to begin on

November 19. PG&E also proposes corresponding extensions for subsequent events as set forth in its motion.

### **Conclusion**

PG&E's motion to extend the procedural schedule is denied. In view of the need for expedited action on DWR's revenue requirements, the procedural schedule that was previously set by ACR dated October 5, 2001 will not be extended at this time. Parties are directed to proceed under the current schedule as set previously forth in the October 5 ACR with the information that is to be provided by DWR on October 19, 2001.

### **Request for DWR Update**

In addition to its request for an extension of the procedural schedule, PG&E also asks that that DWR update its overall revenue requirement submittal prior to the commencement of hearings on allocation issues. PG&E notes that DWR's modeling results are based on DWR's original forecast, rather than on actual power prices experienced in August, September and October, 2001. PG&E also states that DWR's forecast for the remainder of its revenue requirement period has not been updated to reflect changes in external price indices. Likewise, PG&E observes that DWR's revenue requirement includes no changes to reflect anticipated or actual re-negotiated power contract prices, nor cost allocation agreements DWR may have reached since July 23 with the ISO or individual wholesalers for past due power payments.

PG&E argues that to the extent these changes lower DWR's revenue requirement, cost allocation issues will be materially affected, and that the fundamental fairness of a proposed allocation of DWR power costs cannot be evaluated without knowing the actual magnitude of the costs sought to be allocated. PG&E therefore requests that the Commission ask (or if necessary,

order) DWR to submit a revised revenue requirement by October 26, 2001, reflecting known and anticipated changes in actual and forecast costs based on revised data that has become available since DWR filed its July 23 revised revenue requirement. PG&E argues that parties will then have the opportunity to review the updated DWR revenue requirement as it may affect the cost allocation issues to be considered in this proceeding.

### **Conclusion**

While I believe that updated information regarding DWR's revenue requirements would yield more accuracy in view of the passage of time since its last update was presented, the responsibility lies with DWR to prepare and submit such an update to parties and to the Commission. Under the provisions of the California Water Code Section 80110, DWR is charged with responsibility to "conduct" the "just and reasonable review" of DWR revenue requirements. DWR has presumably been served with a copy of PG&E's motion, and will also be served with a copy of this ruling. It is hoped that DWR will agree to provide updated information regarding its revenue requirements in the interests of setting DWR charges that more accurately reflect its actual revenue requirements.

#### **IT IS RULED that:**

1. Pacific Gas and Electric Company's (PG&E) motion for an extension in the procedural schedule is denied.
2. PG&E's request for Department of Water Resources (DWR) to provide an update of its revenue requirements should more appropriately be directed toward DWR.

Dated October 18, 2001, at San Francisco, California.

/s/ GEOFFREY F. BROWN

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Geoffrey F. Brown  
Assigned Commissioner

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner's Ruling Denying Motion of Pacific Gas and Electric Company to Revise Procedural Schedule on all parties of record in this proceeding or their attorneys of record.

Dated October 18, 2001, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.